R.J. Reynolds Tobacco Company

FAX

Date 5/26/98

Number of pages including cover sheet 4

TO: Charlie Iszard
Amerada Hess Corp.

Phone
Fax Phone 750-7163

FROM: G. N. Kuruc, Jr.
R. J. Reynolds Tobacco Company
400 Raritan Center Parkway
Edison, NJ 08837

Phone 732-225-4774
Fax Phone 732-417-9076

CC:

REMARKS: ☒ Urgent ☐ For your review ☐ Reply ASAP ☐ Please Comment

Charlie:

Here's an issue that came about late last week. Apparently the State Of New Jersey is planning to enforce a law that's been on the books for years.

Bottom line, it is against the minimum pricing laws for a retailer to sell cigarettes below the minimum established price even if it's funded by a manufacturer buy down.

You may want to send someone to this meeting.

Nick

51850 0207

Source: https://www.industrydocuments.ucsf.edu/docs/qzcy0000

NJFC FAX from TRENTON

To: NJFC Retail Members

From: Jim Morford

Date: May 11, 1998

Re: **TOBACCO SALES RESTRICTIONS**

YOU ARE INVITED TO A SPECIAL MEETING WITH THE NEW JERSEY DIVISION OF TAXATION ON THURSDAY, MAY 28, 1998.

The meeting will take place in the large meeting room on the 4th floor at the Division of Taxation, 50 Barrack Street, Trenton, NJ (located at the corner of Barrack Street and West State Street). If you are attending the meeting and need directions please call the NJFC office at 609-392-8899.

The purpose of the meeting is to address the latest assault on the ability of New Jersey retailers to sell legal tobacco products to adults.

Since the 1940's, New Jersey has had law on the books to prohibit the sale of cigarettes at a price less than the published minimum of the state.

For decades the margin of difference between the asking price and the State Minimum Price has been great enough to allow various promotions while maintaining a sale price that would be at or above the state minimum. Due to recent tax increases and escalations in product prices, the margins have been greatly diminished.

The New Jersey Wholesale Marketers Association, whose membership is tobacco wholesalers who are "direct stamp licensees" has determined to act as an enforcement agency to guarantee that cigarettes are not sold below the state minimum. Late last year the Wholesale Marketers Association sent out a communication using the letterhead of the State Treasurer announcing that as of "February 1, 1998 the State of New Jersey will step up enforcement against all violators of the Unfair Cigarette Sales Act.

It is our understanding that the Wholesale Marketers Association is undertaking a vigilante program to seek out and turn in violators. According to their communication, "Any retailer or wholesaler will be violating the law when (among other things):

> A retailer induces or attempts to induce or to procure or attempt to procure the purchase of cigarettes at a price less than the price set by the State of New Jersey;

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To Nick Kuric	From NJFC
Co./Dept.	Co.
Phone #	Phone #
	Fax #

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The giving of a concession of any kind or nature whatsoever in connection with the sale of cigarettes or the inducing or attempt to induce or the procuring or the attempt to procure the purchase of cigarettes at a price less than cost to the wholesaler or retailer shall be prima facie evidence of intent to injure competitors;

It is the announced intention of the Wholesale Marketers Association to participate in gathering information through surveillance, sting operations and other means necessary to prosecute violators of the Unfair Cigarette Sales Act.

If you hold a retail cigarette license, you are encouraged to attend this meeting with the New Jersey Division of Taxation to clearly understand your rights and responsibilities under New Jersey law.

Please let us know of your plans to attend the meeting by returning the attached form by fax to NJFC at (609) 396-6571. Thank you.

TOBACCO SALES RESTRICTIONS MEETING
THURSDAY, MAY 28, 1998
9:30 A.M. - 4TH FLOOR MEETING ROOM
DIVISION OF TAXATION BUILDING
50 BARRACK STREET, TRENTON, NJ

☐ YES, I will attend the meeting on Thursday, May 28, 1998 at the Division of Taxation, 50 Barrack Street, Trenton, NJ.

☐ NO, I will be unable to attend the meeting, but _____ will be my representative.

☐ NO, I will be unable to attend the meeting.

NAME: _____

COMPANY: _____

PHONE/FAX: _____

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5-26-1998 9:34AM FROM NJ FOOD COUNCIL 609 396 6571 P.2

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